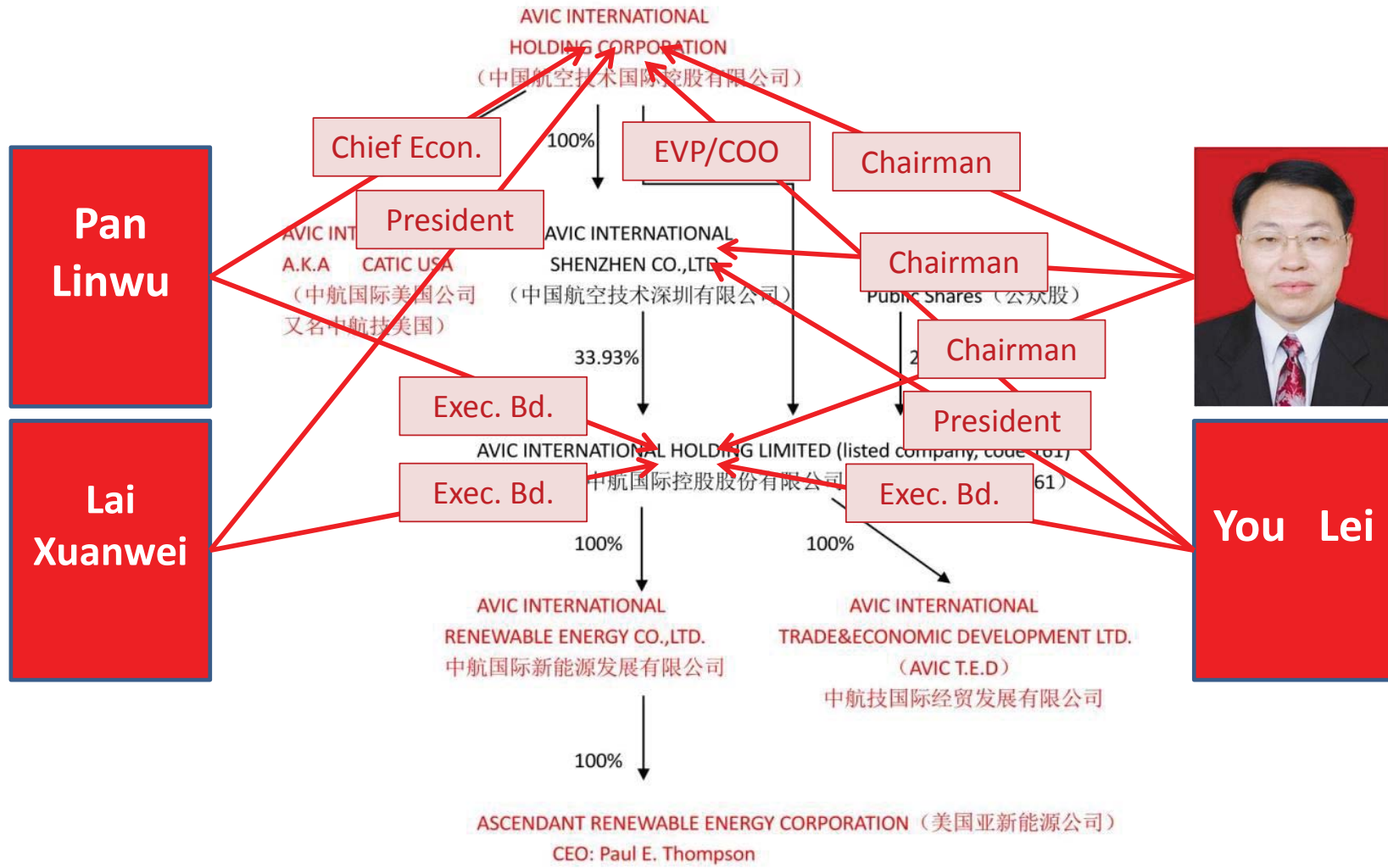


Key Players: July 23, 2015



AVICUSA0000684

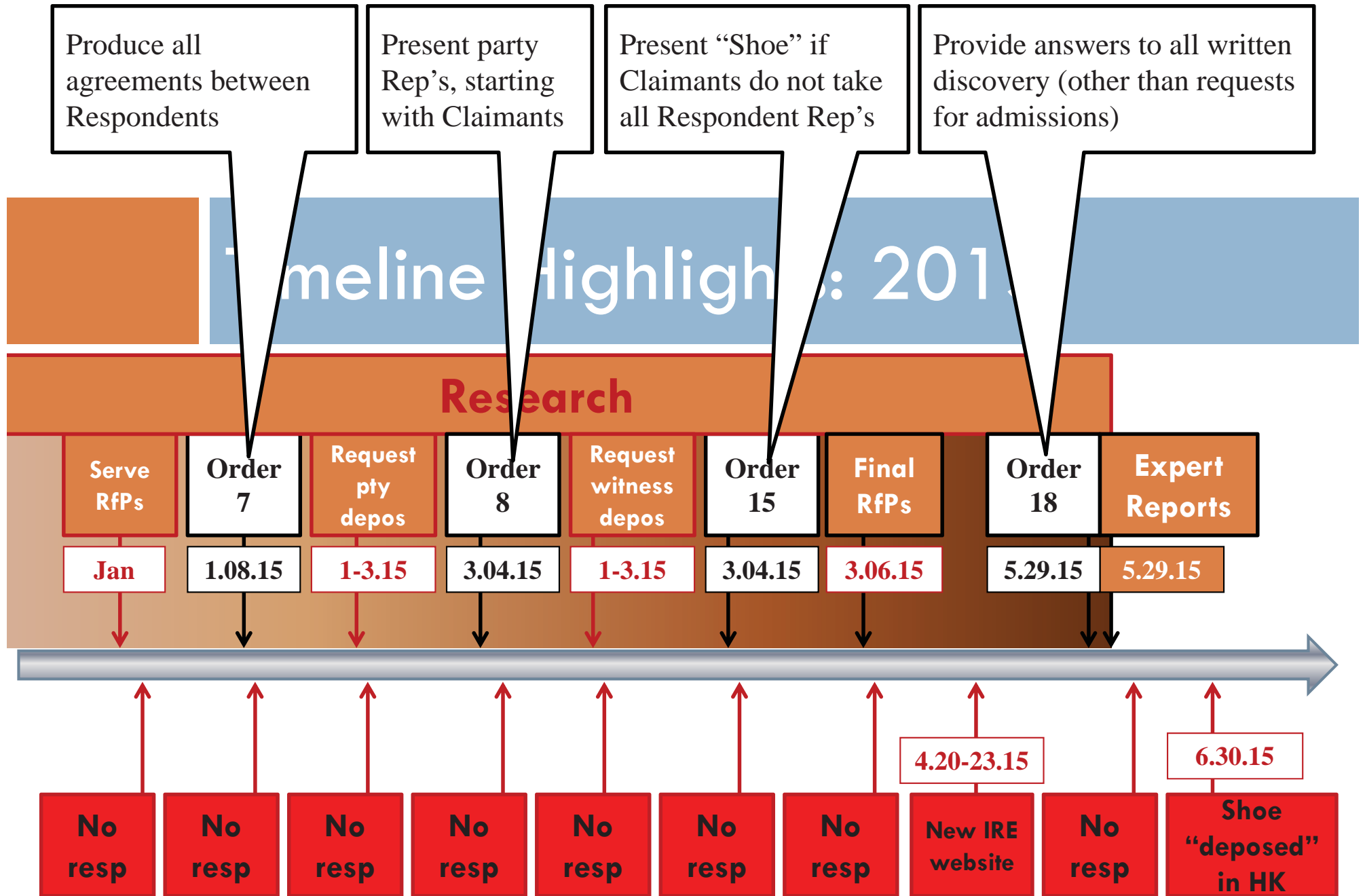
Unambiguous Promise

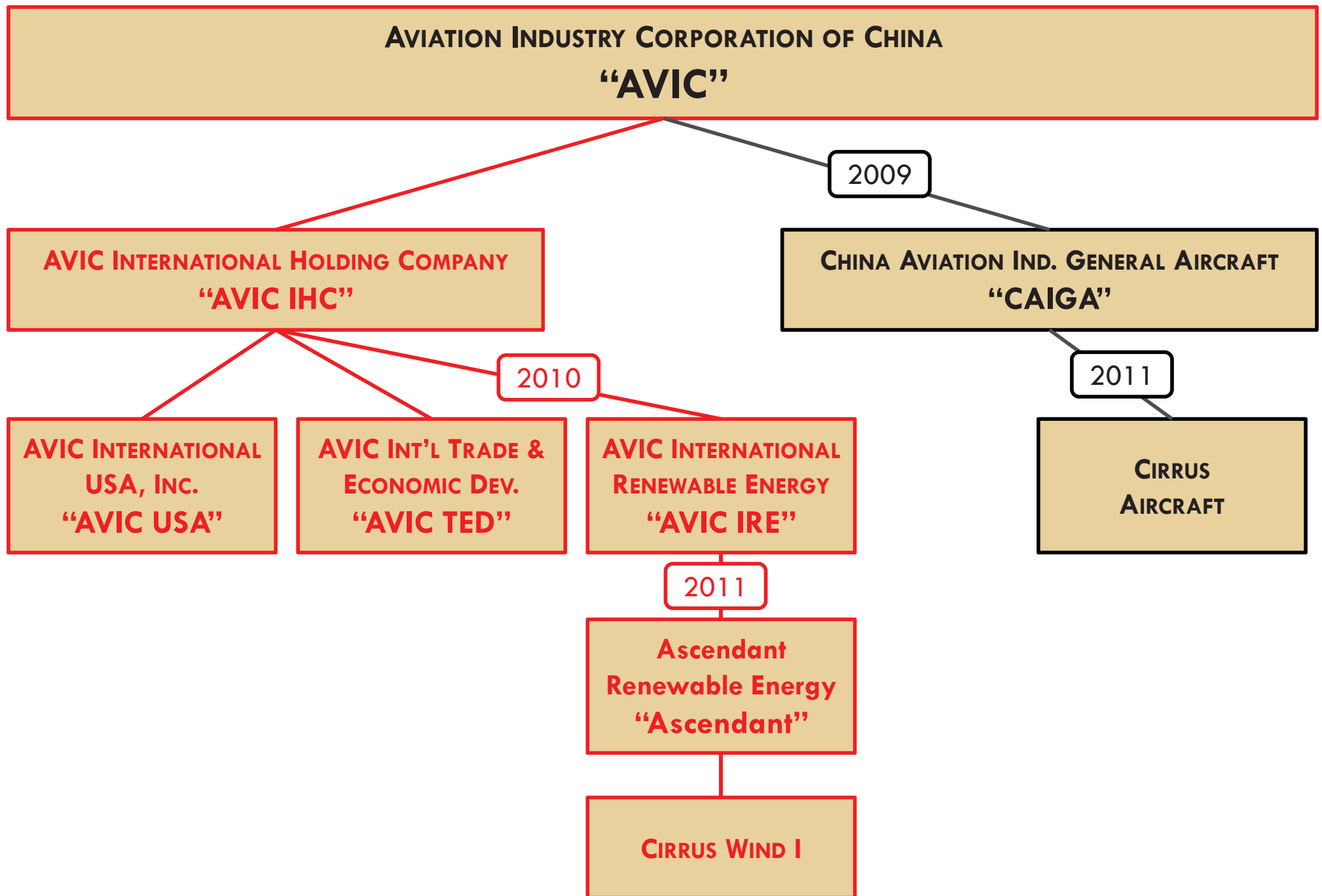
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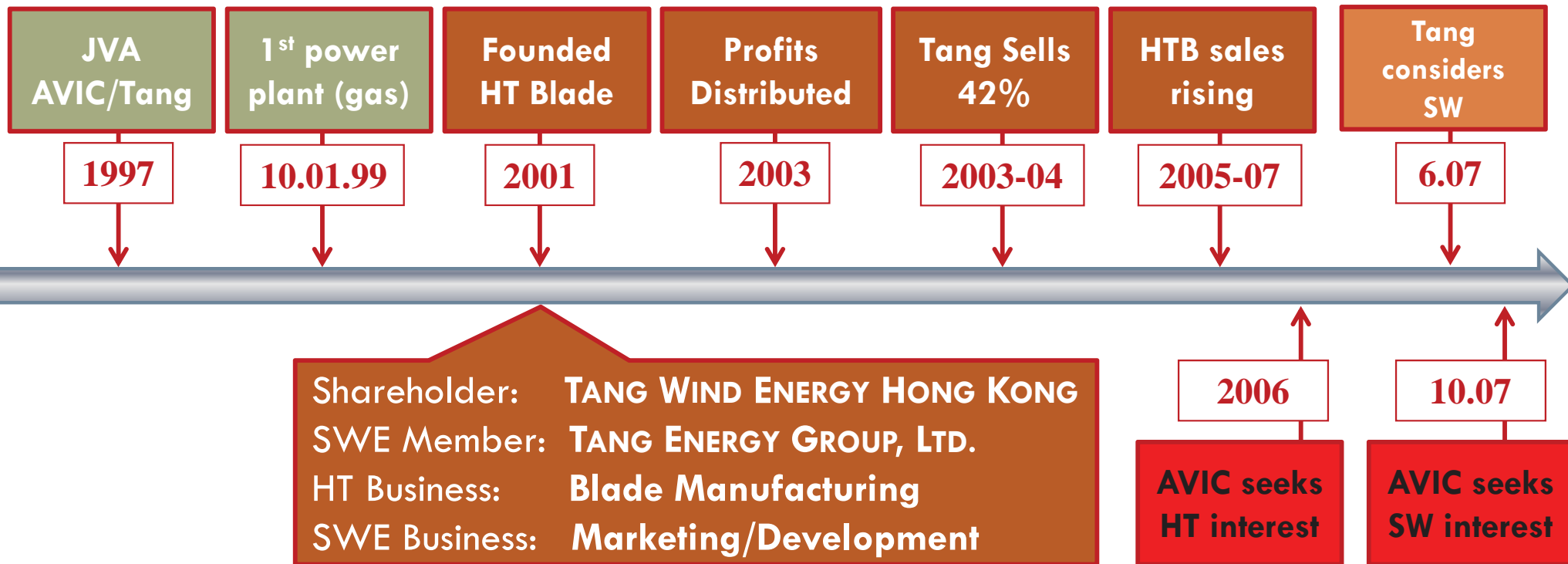
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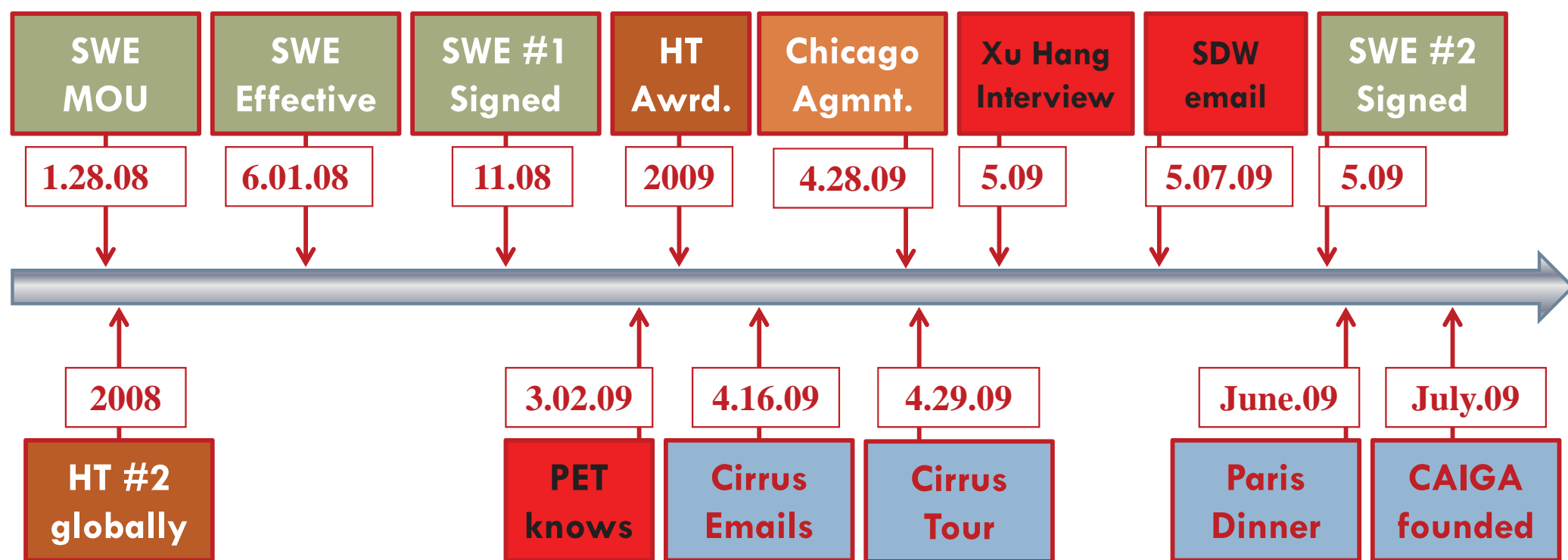




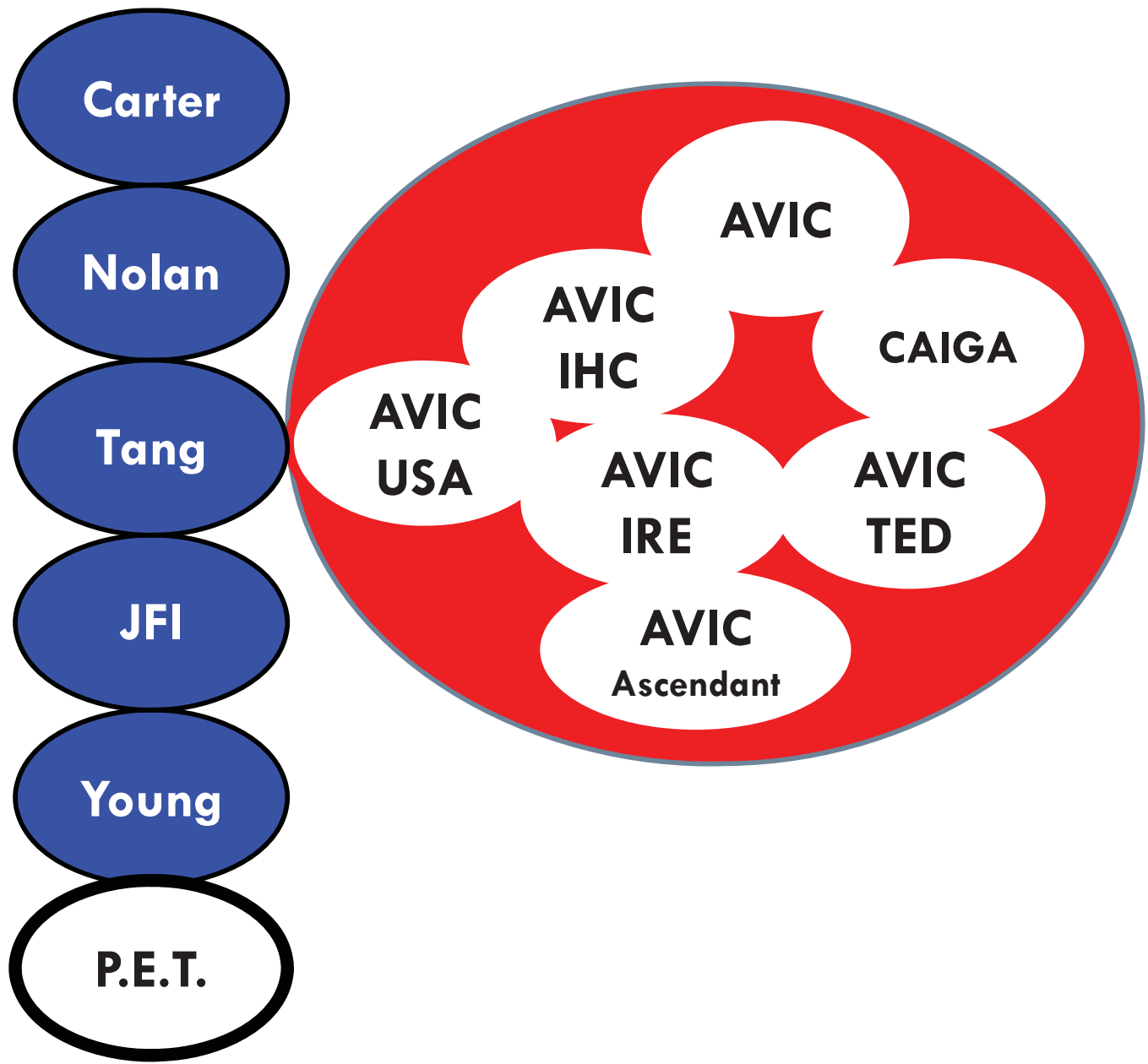
Timeline Highlights: 1997-2007



Timeline Highlights: 2008-2009



SOARING WIND ENERGY, LLC



Key Players



Paul Thompson

SWE Member
SWE General Manager
Ascendant CEO
Ascendant Director



Zhang Xuming
“Sherman”

AVIC USA President
AVIC TED Contact
Cirrus Spokesman
AVIC IHC Direct Report
AVIC Senior Executive



Xu Hang
“Mr. Shoe”

AVIC TED Contact
AVIC IHC Asst. to Chair
AVIC IRE Vice President
Ascendant Director
AVIC MODN Chairman



Liu Rongchun
“Leo”

AVIC IHC Vice President
Signed SWE MOU
AVIC IRE Chairman
CATIC Vice President



Bian Tao
“Ben”

Cirrus visitor
CATIC TED (officer)
CAIGA (Temp. Chairman)
AVIC IHC (Vice President)

Agreements that matter

CATIC

SW Memorandum of Understanding

signed January 2008



CATIC
USA

SWE Agreement

Eff. July 2008; signed May 2009



CATIC
TED

Chicago Agreement

signed April 2009





FINAL HEARING

Tang et al v. AVIC et al

At it's core, this is a simple case.



The AVIATION INDUSTRY CORPORATION OF CHINA (“AVIC”) promised it would provide funding for wind power projects, but never funded a single project,

And promised it would not compete with Soaring Wind, but started as new “subsidiary” and developed wind power projects in direct competition with Soaring Wind

An Unambiguous Promise

Sec. 6.10 Exclusive Arrangement.

Each Member agrees that during the term of this Agreement, each shall only conduct activities constituting the **Business** in and through the Company.

Sec. 2.3 Purposes and Business Purpose.

The purpose and nature of the business to be conducted by the Company shall be to provide worldwide marketing of wind energy equipment, services and materials related to wind energy including, but not limited to, marketing wind turbine generator blades and wind turbine generators and developing wind farms (the “**Business**”) ...

Breach



While Tang was investing its own money to bring projects to Soaring Wind,

AVIC -

- **never** committed to a single project;
- **never** provided the credit facility it promised;
and
- **never** invested a nickel with Soaring Wind

Breach



- AVIC hired **Paul Thompson** and developed wind power projects in the US through **Ascendant**
- AVIC used **AVIC IRE** to develop wind farms in
 - Bulgaria □ Mongolia □ Brazil □ “and so on”
 - New Zealand □ Australia □ Chile
 - Romania □ Canada □ South Africa
- AVIC has invested well over \$1,000,000,000 building wind farms that compete with SWE

What is disputed?



Is the party that made those promises
the same party that broke them?

Introduction to a Dispute

1. The Parties and the People
2. Alter Ego Keys
3. How We Got to Arbitration
4. The Arbitration Stonewall
5. What Went Wrong?
6. AVIC's Breaches and HT Blade
7. Claimants' Damages

No Confusion

No dispute some parties are the same:

**CATIC
USA** = **AVIC
USA**

**CATIC
TED** = **AVIC
TED**

CATIC = **AVIC
IHC**

No Confusion



No dispute some parties are the same:

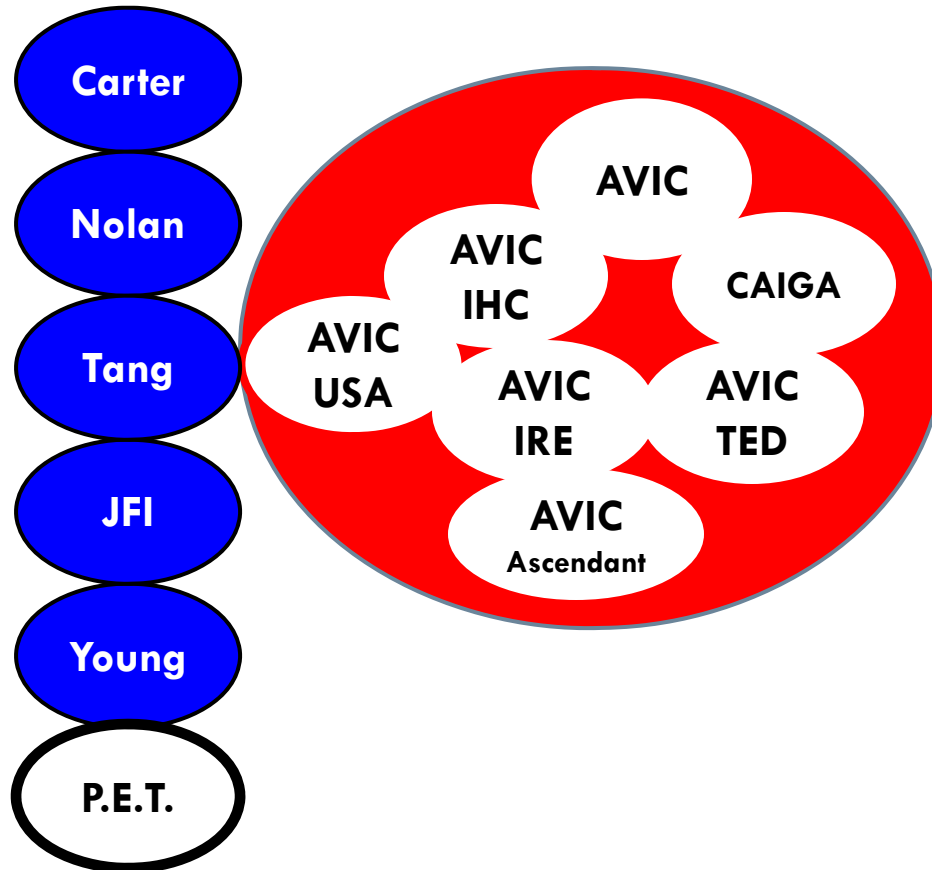
**AVIC
USA**

**AVIC
TED**

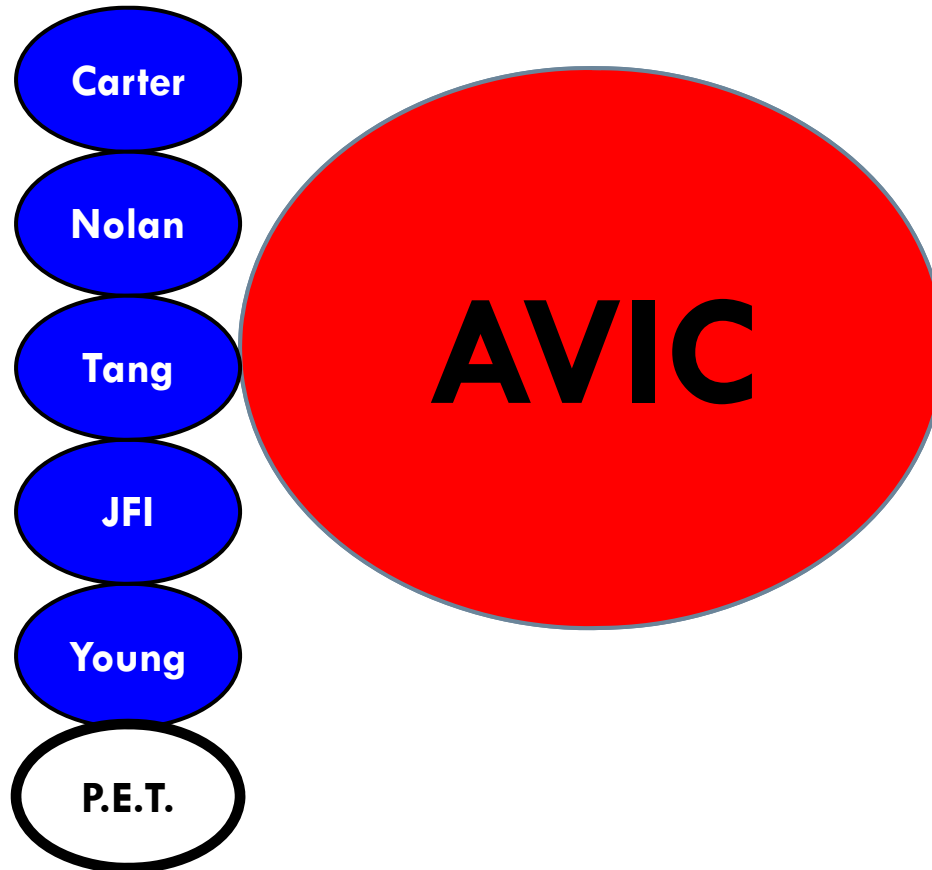
**AVIC
IHC**

or “AVIC International”

SOARING WIND ENERGY, LLC



SOARING WIND ENERGY, LLC



Key Players



Paul Thompson

SWE Member
SWE General Manager
Ascendant CEO
Ascendant Director



Zhang Xuming
“Sherman”

AVIC USA President
AVIC TED Contact
Cirrus Spokesman
AVIC IHC Direct Report
AVIC Senior Executive Management



Xu Hang
“Mr. Shoe”

AVIC TED Contact
AVIC IHC Asst. to Chair
AVIC IRE Vice President
Ascendant Director
AVIC MODN Chairman



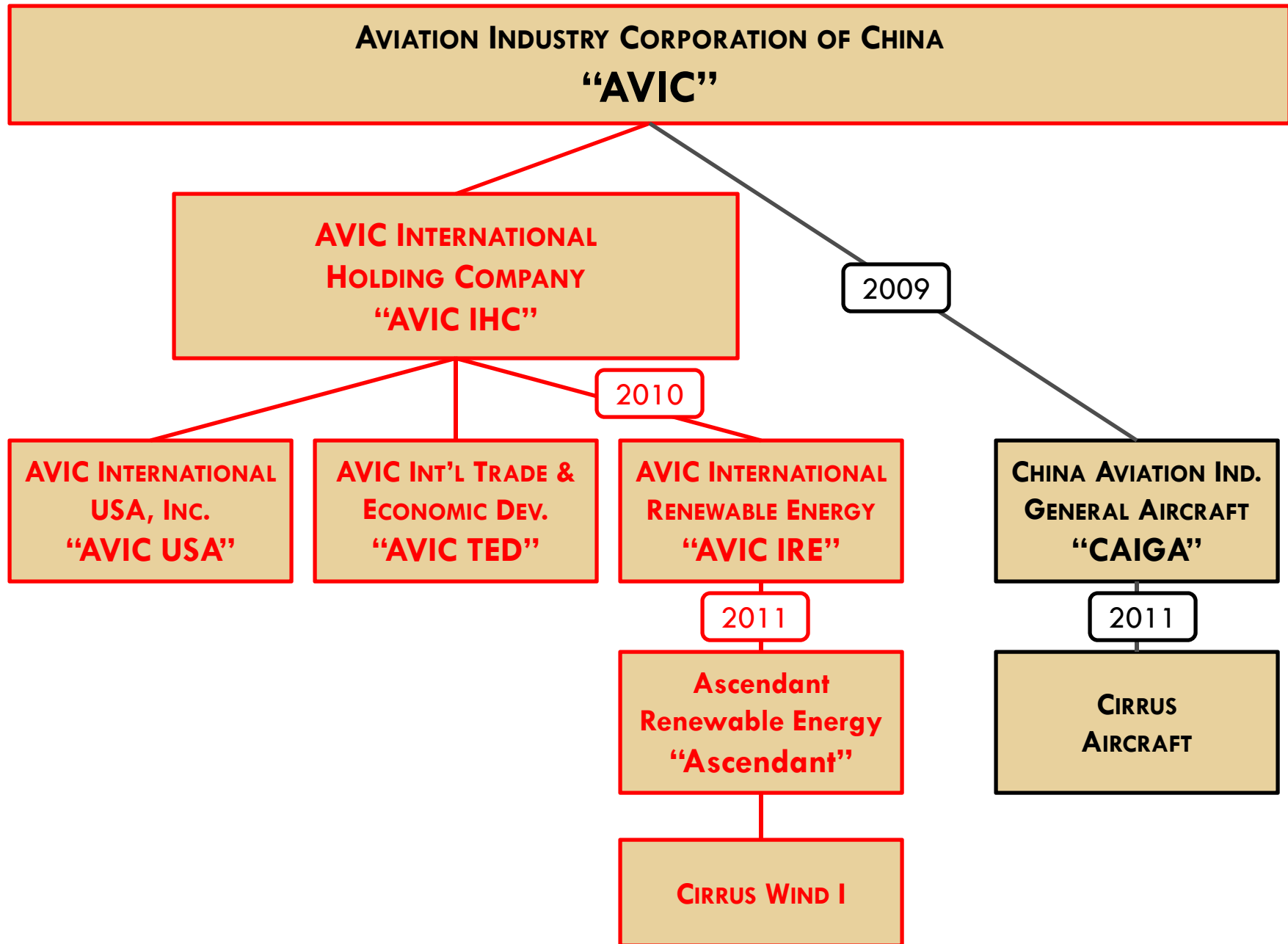
Liu Rongchun
“Leo”

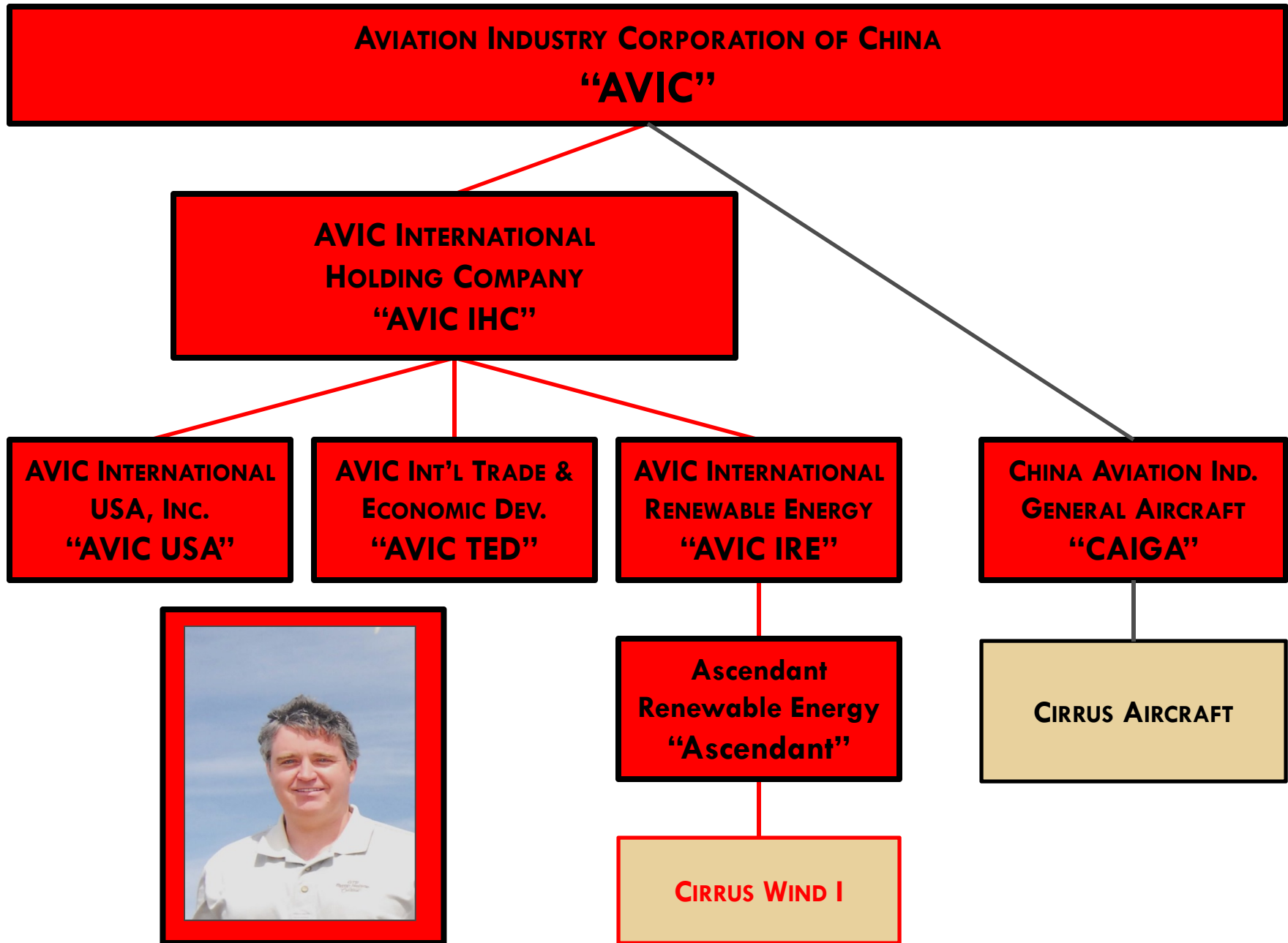
AVIC IHC Vice President
Signed SWE MOU
AVIC IRE Chairman



Bian Tao
“Ben”

Cirrus visitor
CATIC TED Officer
CAIGA Temp. Chairman
AVIC IHC Vice President





Key Players



Paul Thompson

SWE Member
SWE General Manager
Ascendant CEO
Ascendant Director



Zhang Xuming
“Sherman”

AVIC USA President
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Xu Hang
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AVIC TED Contact
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Ascendant Director
AVIC MODN Chairman



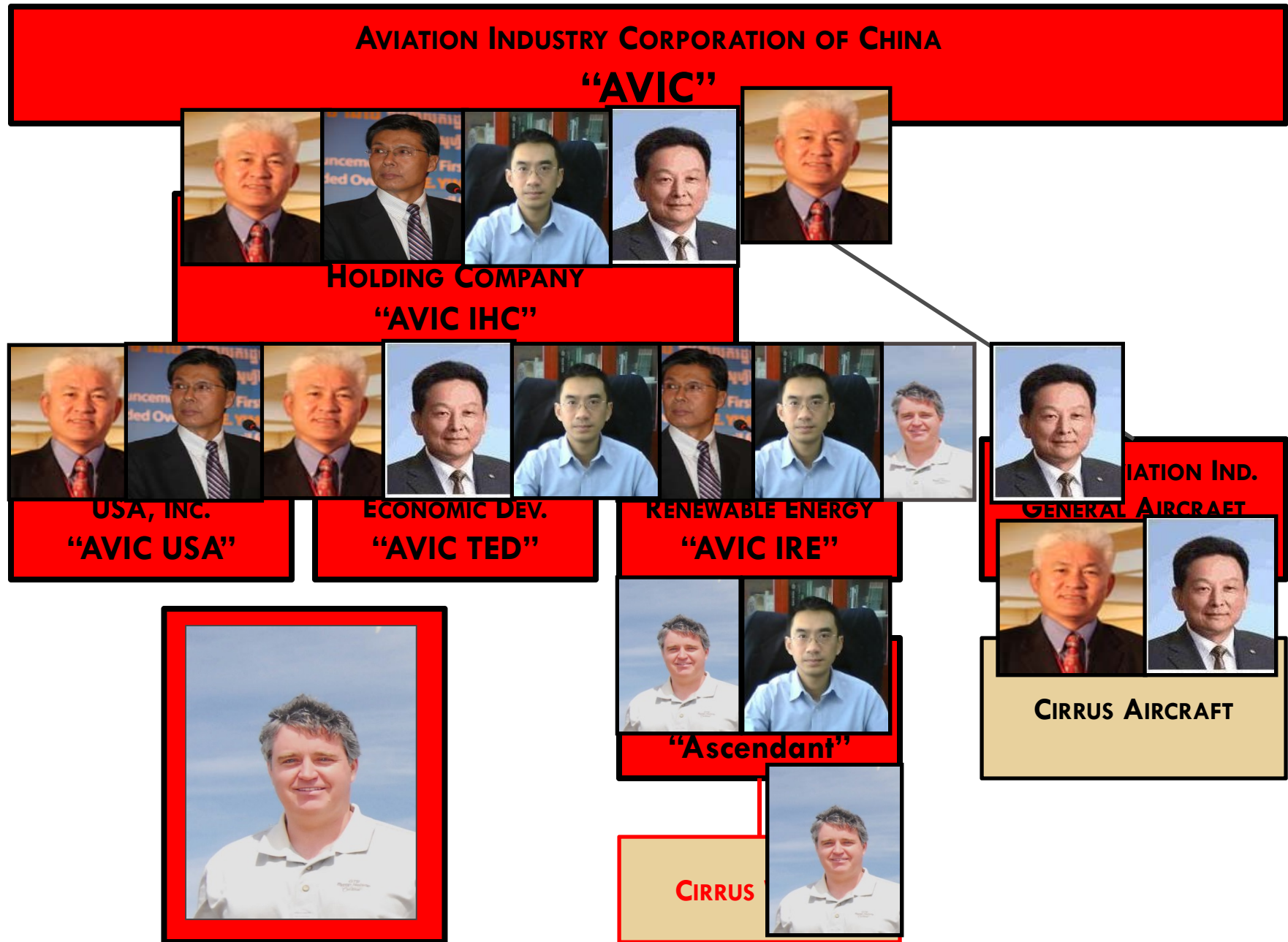
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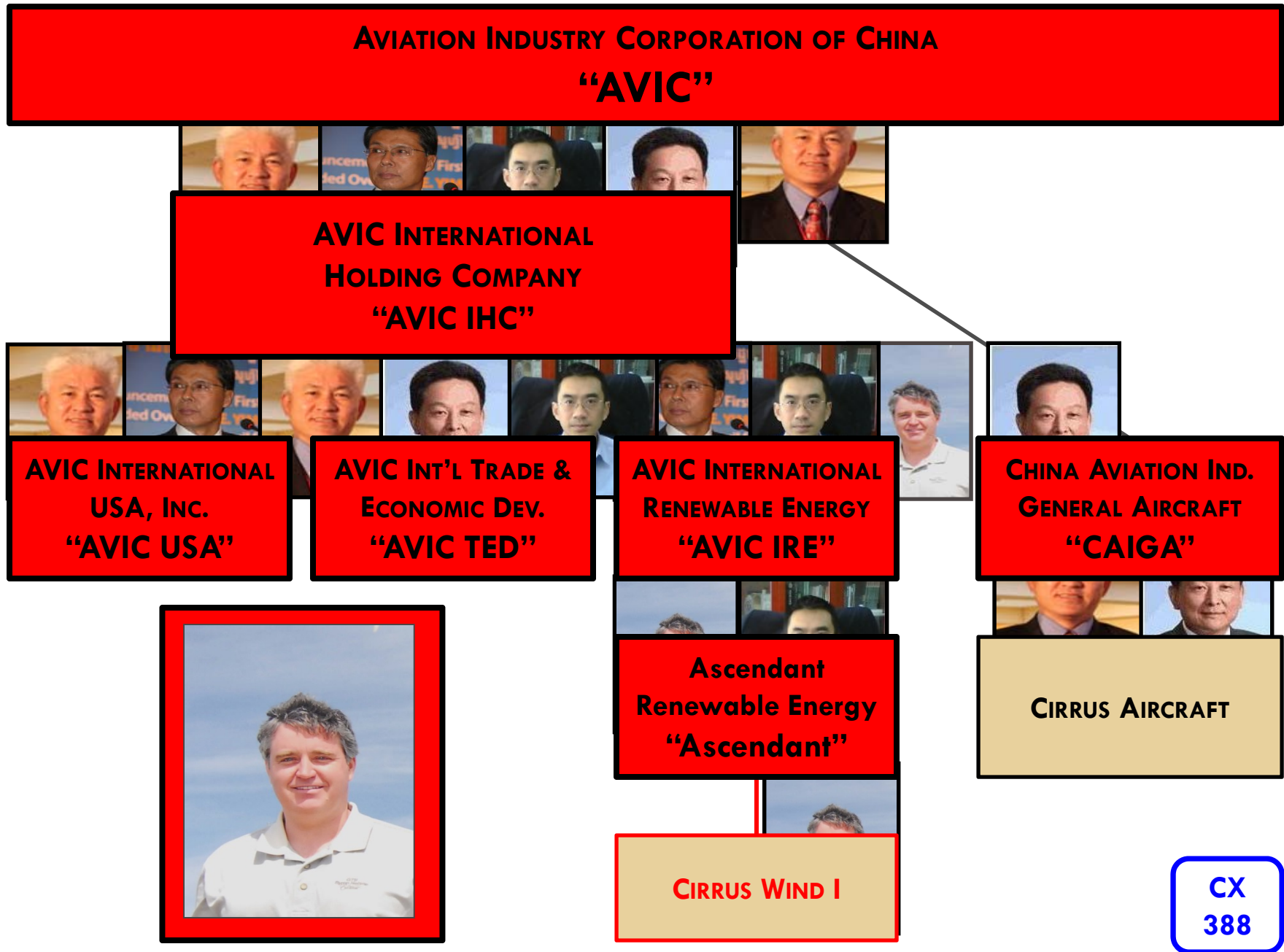
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CATIC Vice President



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Cirrus visitor
CATIC TED Officer
CAIGA Temp. Chairman
AVIC IHC Vice President





AVIC



“It’s all AVIC”

Key Players

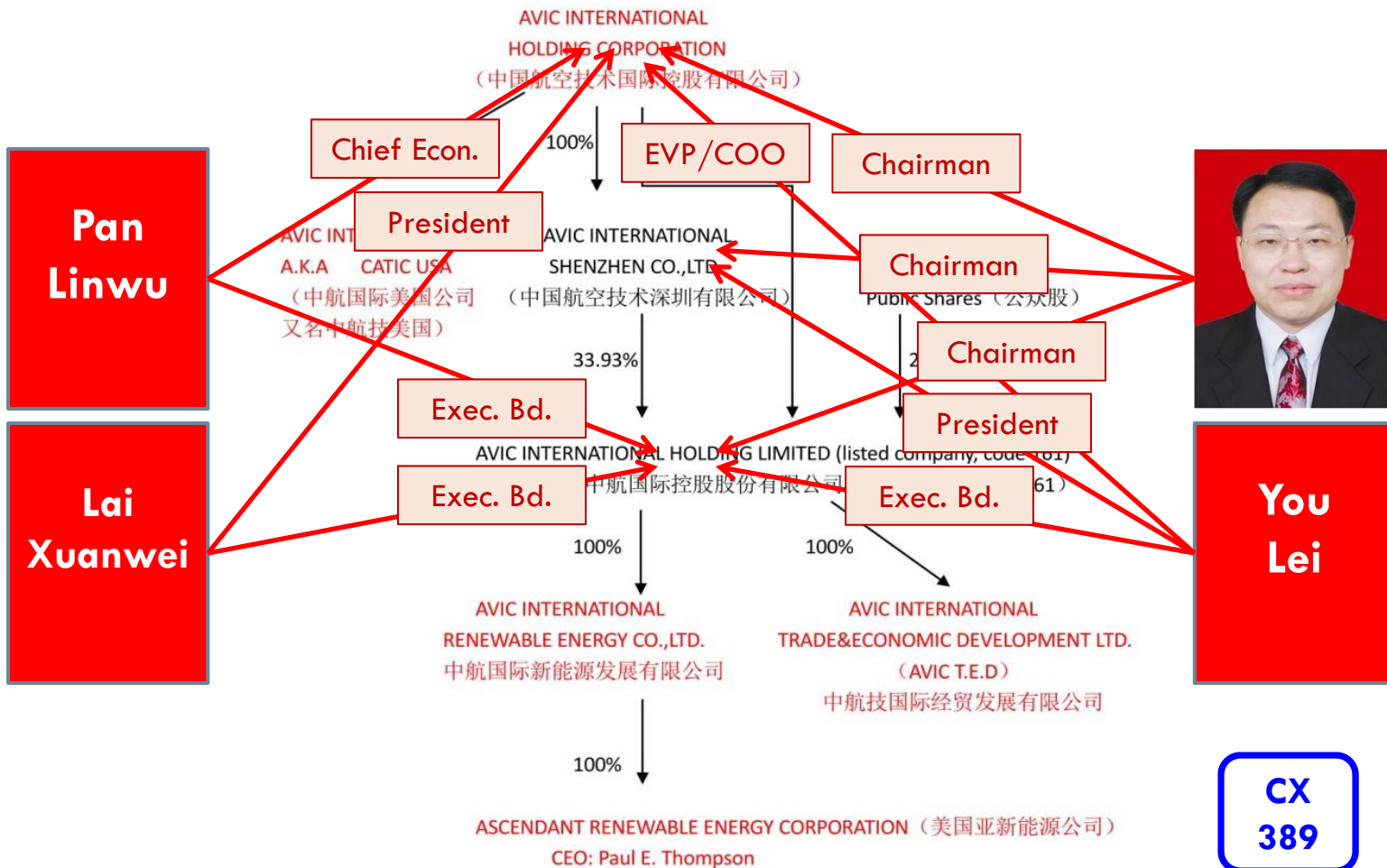
19

CLAIMANT TANG ENERGY GROUP, LTD.'S FIRST REQUEST FOR LIMITED DISCOVERY October 20, 2014

1. A certified or sworn organizational chart (1) showing how all the respondent entities relate to one another within the structure of AVIC and (2) identifying all current officers and majority shareholders of each respondent entity.

Key Players: July 23, 2015

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AVICUSA0000684

Introduction to a Dispute

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2

Alter Ego Keys

- Is AVIC one entity? **AVIC**
- Would respecting the nominal corporate distinctions result in unfairness or injustice?



Is AVIC one entity?

AVIC

Barry Naughton (Professor, UCSD)

AVIC operates as a principal and, with its subsidiaries, operates as a single entity.

David Jacobson (Professor, UNC Keenan-Flagler School of Business)

Based on AVIC's own accounts of its own policies and activities, it operates as a single unified entity. To suggest otherwise would be intellectually dishonest.

Mark Stokes (Background in military intelligence)

If a decision to be made by a subsidiary is significant, AVIC makes it.

One cannot argue seriously that the subsidiaries operate independently. To the contrary, AVIC and its affiliates operate as one entity.

Patrick Jenevein (20 years working with AVIC face-to-face)

Is AVIC one entity?

AVIC

Assessing Control:

Bridas SAPIC v. Gov't of Turkmenistan, 447 F.3d 411 (5th Cir. 2006)

15 Private Law Factors

- 1 Do the parent and the sub share common stock ownership?
- 2 Do the parent and the sub share common officers/directors?
- 3 Do the parent and the sub share business departments?
- 4 Do the parent and sub file consolidated financial statements?
- 5 Does the parent finance the sub?
- 6 Does the parent cause the incorporation of the sub?
- 7 Does sub operate with grossly inadequate capital?
- 8 Does parent pay salaries/expenses of sub?

Is AVIC one entity?

AVIC

Assessing Control:

Bridas SAPIC v. Gov't of Turkmenistan, 447 F.3d 411 (5th Cir. 2006)

15 Private Law Factors

- | | |
|----|---|
| 9 | Does sub receive significant business from other sources? |
| 10 | Does parent use sub's property as its own? |
| 11 | Are daily operations of parent/sub kept separate? |
| 12 | Does sub consistently observe corporate formalities? |
| 13 | Do sub's directors act in the best interest of sub or parent? |
| 14 | Does parent pay or guarantee the debts of the sub? |
| 15 | Does parent deal with sub at arm's length |

Is AVIC one entity?

AVIC

Assessing Control:

Bridas SAPIC v. Gov't of Turkmenistan, 447 F.3d 411 (5th Cir. 2006)

6 Public Law Factors

- | | |
|----|--|
| 16 | Does state law view parent as an arm of the State? |
| 17 | Does the state fund the parent? The sub? |
| 18 | Does sub have little or no local autonomy? |
| 19 | Is the parent concerned primarily with national issues? |
| 20 | Can sub initiate litigation without the consent of the parent? |
| 21 | Does sub have ability to hold and use property as it may independently prefer? |

Is AVIC one entity?



AVIC



Recorded statements

Paul Thompson, President of Ascendant

Sherman Zhang, President of AVIC USA

Xu Hang, Vice President AVIC IRE, Director of Ascendant,
Contact for AVIC TED, Chairman AVIC MODN

Is AVIC one entity?



AVIC

In the words of AVIC, its affiliates and officers:

They move money from entity to entity with no regard for GAAP. (Paul Thompson, President of AVIC's Ascendant Renewable)

The subsidiaries are required to invest in other subsidiaries when they don't want to. (Sherman Zhang, President of AVIC USA)

They move people around from entity to entity for whatever reasons suit AVIC's purposes. (Paul Thompson.)

Is AVIC one entity?



AVIC



In the words of AVIC, its affiliates and officers:

Sherman Zhang is in charge of AVIC's US expansion. (Numerous reports and websites providing bio-background for Zhang)

AVIC International is controlled by AVIC. (AVIC Int'l website.)

The President of AVIC USA (Sherman Zhang) is expected to provide support and assistance to the entire AVIC group. (Xu Hang, President of AVIC MODN, VP of AVIC Renewable, Contact for AVIC TED, Director of AVIC's Ascendant)

It's all AVIC. It's one business. (Paul Thompson)

2

Alter Ego Keys

- Is AVIC one entity? **AVIC**
- Would respecting the nominal corporate distinctions result in unfairness or injustice?



Would respecting the nominal corporate distinctions result in unfairness or injustice?



The AVIC officer (Leo) who signed the Soaring Wind MOU (“SW will be CATIC’s **exclusive** vehicle for wind energy”) became the Founding Chairman of AVIC IRE, **competing** with Soaring Wind.

Sherman Zhang:

How can they do that?

They are competing with their partner, but they don’t care!

Paul Thompson:

We should never have set up Ascendant.

It was wrong.

Would respecting the nominal corporate distinctions result in unfairness or injustice?



Tang invested **\$55 million** in reliance on AVIC's promises and agreements, seeding the business they agreed to build together.

The non-AVIC partners lost **the value** of a promising company, lost **the assets** that should have been SWE's, as well as the **right to sell** those assets (and earn a commission) or **hold and profit** from them.

What they've done to you is fraud, and you've got to do something about it. (Paul Thompson)

2

Alter Ego Keys

- Is AVIC one entity? **AVIC**
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Meet Patrick Jenevein



ERNST & YOUNG
Entrepreneur of the Year
2006

U.S. SECRETARY OF STATE
Award for Corporate Excellence
2010



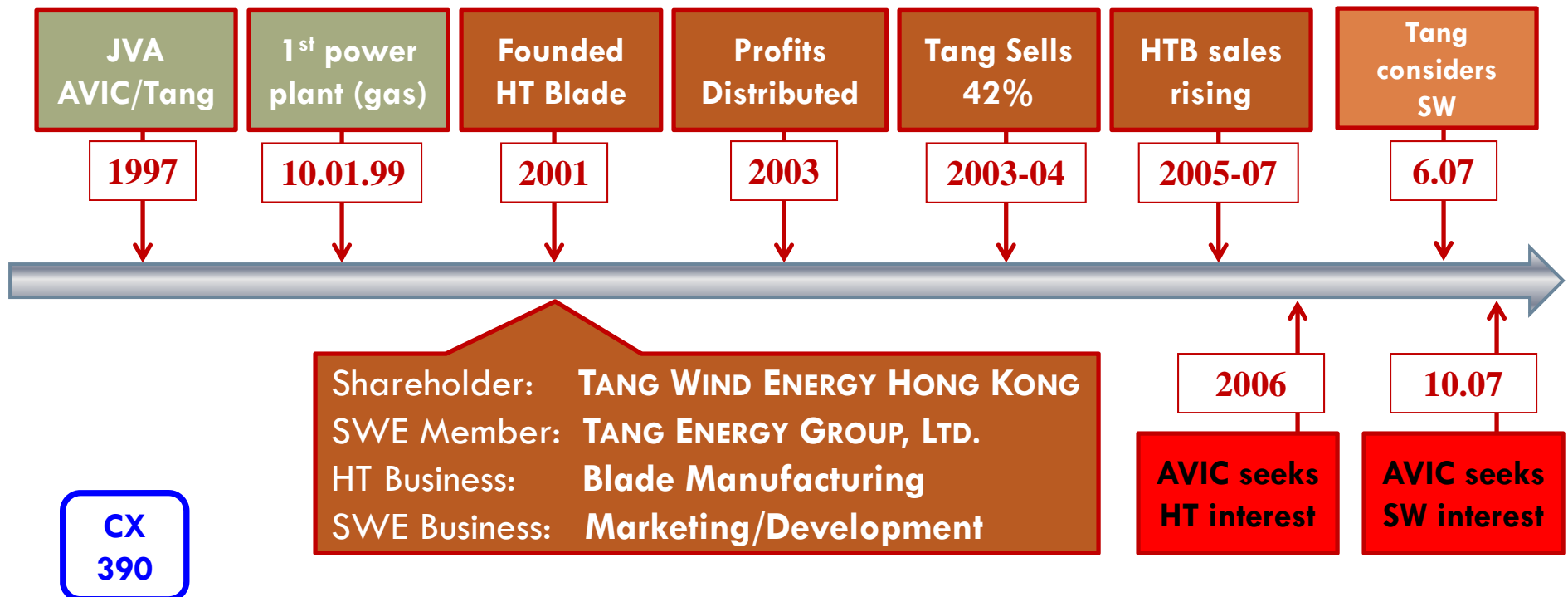
Discussing wind-farm
development with Stuart Varney
on Fox Business

Dallas Wind-Energy Company Helps China Clean Up Its Act



D CEO, Jan. 2008

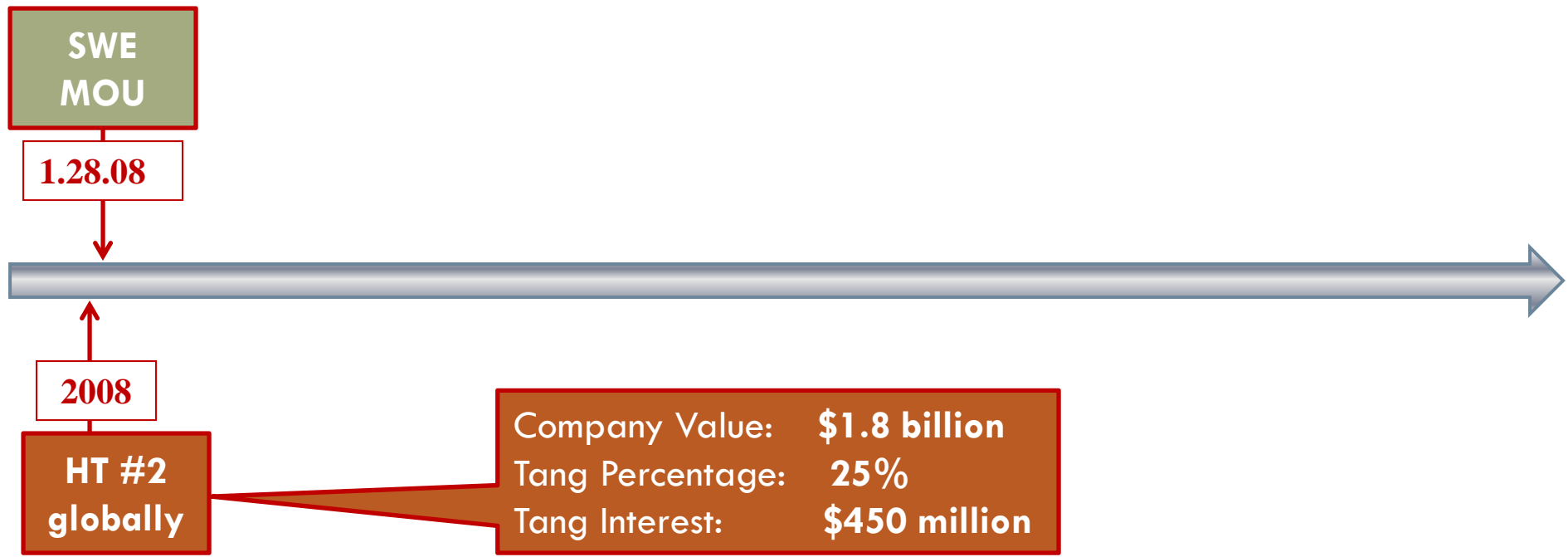
Timeline Highlights: 1997-2007



Trust and optimism



Timeline Highlights: 2008-2009



3 Agreements

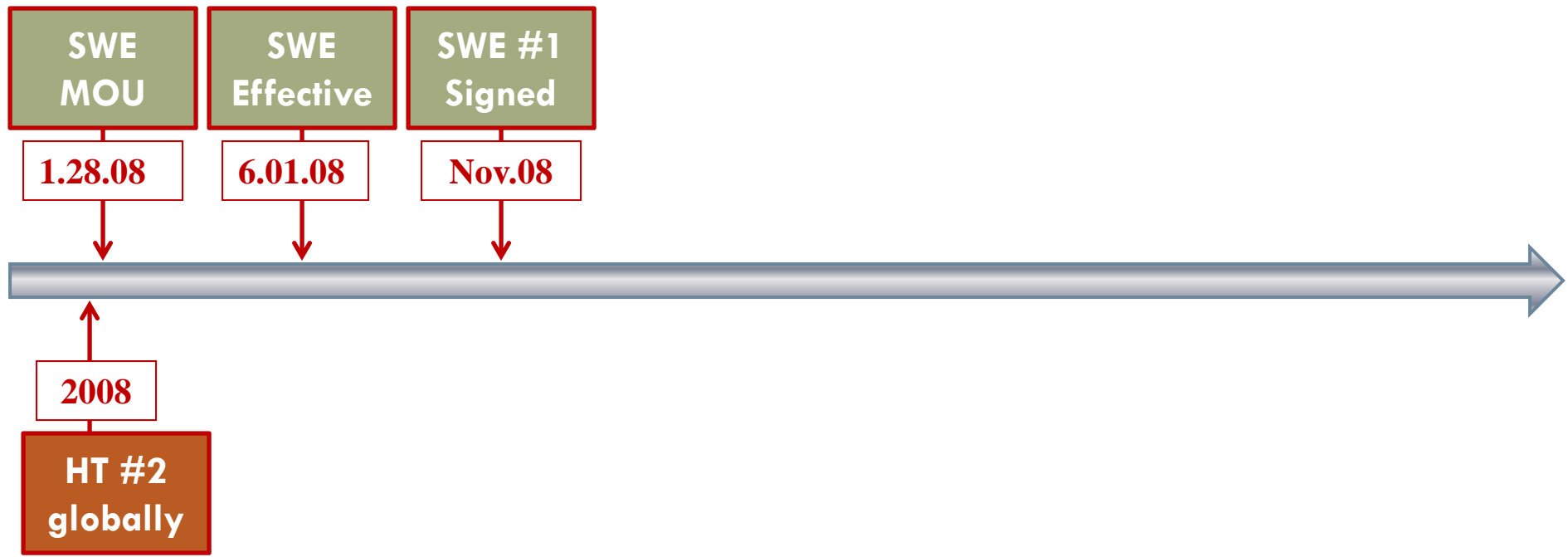




Key provisions:

- CATIC will own **44.5%** of the company, and Tang and its affiliates (“Tang Individuals”) will own **55.5%**.
- Soaring Wind will be the **exclusive vehicle for Tang and CATIC** in the wind energy business.
- This will be a **global** business.
- CATIC will provide **financial strength**.
- Tang will provide **expertise & management**.

Timeline Highlights: 2008-2009





SWE Agreement
July 2008 to May 2009



Key provisions:

- CATIC will own **50%** of the company, and Tang and the other partners (“TEG Group”) will own **50%**.
- Soaring Wind will be the **exclusive vehicle for Tang and CATIC** in the wind energy business.
- This will be a **global** business.
- Tang will provide **expertise & management**.

An Unambiguous Promise

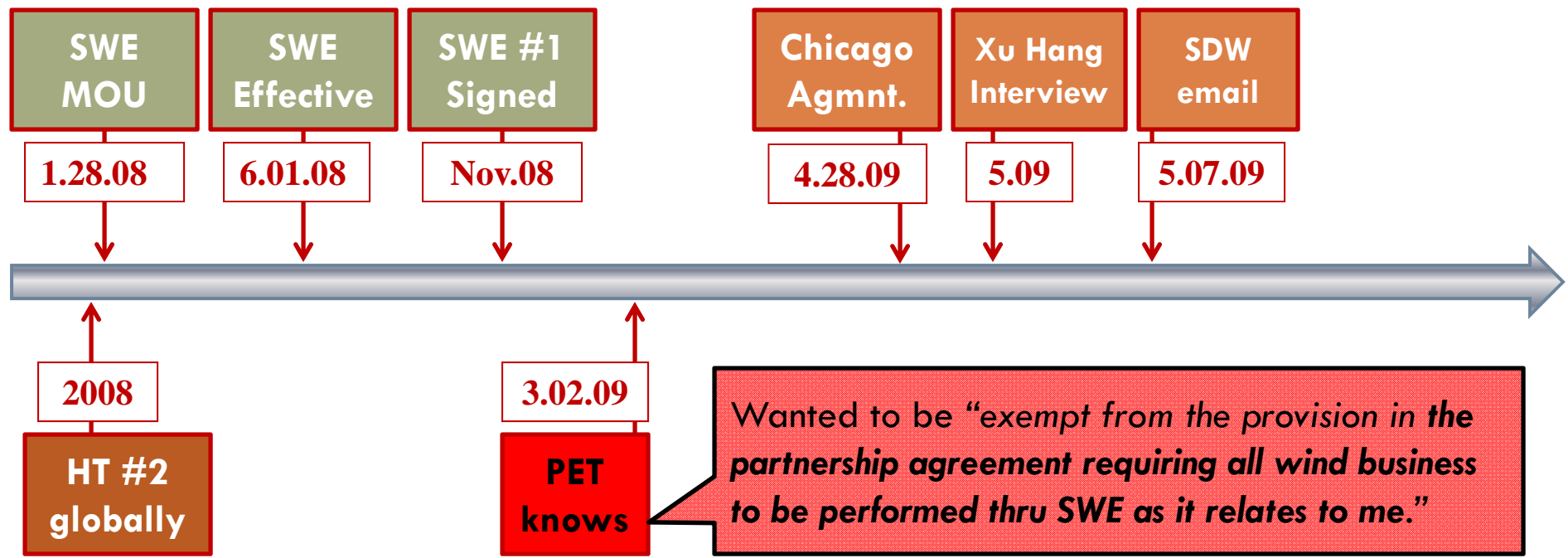
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Timeline Highlights: 2008-2009





Chicago Agreement

April 2009



The "\$300 million line of credit":

- CATIC will provide financing of \$300 million in 5 years
- CATIC will finance the Plymouth, Cohasset and Raytheon projects.
- CATIC will participate and invest as a “full cooperation partner”
- The Tang will provide **expertise & management.**



The Chicago Agreement

For this Panel to arbitrate a claim for the breach of the Chicago Agreement,
the Chicago Agreement must be ***related to*** the Soaring Wind Agreement

SWE Arbitration Clause

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Sec. 13.1 Disputes.

... [T]his Article XIII shall apply to any controversy, dispute or claim arising under or related to this Agreement (whether arising in contract, tort or otherwise, and whether arising at law or in equity), including (a) any dispute regarding the construction, interpretation, performance, validity or enforceability of any provision of this Agreement or whether any Person is in compliance with, or breach of, any provision of this Agreement, and (b) the applicability of this Article XIII to a particular dispute.



The Chicago Agreement

Chicago Agreement

- **Sherman Zhang**
(CATIC TED rep)
- **Wu Lin** (CATIC TED rep)
- **Mike Carter**
(Tang rep)
- **Paul Thompson**
(Tang rep)
- **Patrick Jenevein**
(Signed for Tang)

SWE Agreement

- **SWE Manager**
- **SWE Member (officer)**
- **SWE Manager**
- **SWE Manager**
- **SWE Member**
- **SWE Officer**
- **SWE Member**
- **SWE Officer**
- **SWE Manager**
- **SWE Member**